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UNIDO INVOLVEMENT IN MAJOR INTERNATIONAL CONFERENCES

Report by the Director-General

Reports on the implementation of General Conference resolution GC.9/Res.3 concerning UNIDO involvement in the International Conference on Financing for Development and the World Summit on Sustainable Development.

Introduction

1. At its ninth session, the General Conference considered a note by the Director-General on UNIDO involvement in major international conferences (GC.9/14) and adopted resolution GC.9/Res.3 concerning the forthcoming International Conference on Financing for Development and the World Summit on Sustainable Development. In compliance with that resolution, which requested the Director-General to inform Member States of the contribution UNIDO intends to make to both conferences, a briefing for permanent missions on preparations for the two meetings was held on 1 March 2002, during which background material was distributed.

I. INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT Monterrey, Mexico, 18-22 March 2002

Preparatory activities

2. UNIDO followed the preparatory process for the Conference from the beginning, and was actively involved in the meetings of the Preparatory Committee. The main result of the Committee's work was the "Monterrey Consensus" (draft outcome of the Conference).

3. In addition to its overall activities UNIDO presented two specific initiatives responding to two chapters in the draft outcome. The first, on venture capital, was submitted responding to the chapter "Mobilizing international resources for development: foreign direct investment and other private flows", where specifically innovative approaches to mobilize such funds were included. It may be recalled that UNIDO had proposed this initiative originally to the Third United Nations Conference on the Least Developed Countries in 2001. The first partnership with a private sector investor under this initiative was signed in December 2001 during the ninth session of the UNIDO General Conference. The initiative attracted considerable interest from the private sector during a side event to the final Preparatory Committee meeting in January 2002.

4. Under the chapter "International trade as an engine for development", UNIDO presented the initiative "Enabling developing countries to participate in international trade—Strengthening the supply

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capacity". This initiative that had in an initial form also been presented during the Third United Nations Conference on the Least Developed Countries, responds fully to the medium-term programme framework, 2002-2005 (resolution GC.9/Res.2). This initiative, which combines the strengthening and upgrading of productive capacities with the establishment of standards, quality, metrology, accreditation and certification capacities in developing countries, has attracted considerable attention.

Activities during the Conference

5. During the plenary session of the ministerial segment on 18 March, the Director-General delivered a statement covering UNIDO's overall perception of the Conference as well as the two specific UNIDO contributions under the different headings of the agenda (paras. 3 and 4 above). The full text of the statement is available on the UNIDO home page.

6. UNIDO also participated in one of the ministerial roundtables on 19 March with the theme "Partnerships in financing for development". The main subject of the UNIDO intervention concerned the venture capital initiative where UNIDO intends to work together with private venture capital investors in order to channel private equity capital to small and medium enterprises in Africa.

7. UNIDO and the European Commission jointly organized a side event on "Enabling developing countries to participate in international trade—Strengthening the supply capacity". Co-chaired by the European Union Commissioner for Development, the Minister for Economic Development of Burkina Faso and the Director-General of UNIDO, and attended by some 75 participants, the event presented the problem of technical barriers to trade and the urgent need to assist developing countries. A UNIDO strategy document on the subject (available on the UNIDO home page) was also presented, and the Director-General announced the creation of a trust fund as described in the strategy document, with a UNIDO contribution of $1 million. During the side event, the representative of one Member State announced that a contribution would be made to the trust fund.

8. UNIDO also took part, as a co-speaker, in a dialogue under the Business Forum related to a proposal made by the business entities entitled "Incubating the culture of venture capital". The UNIDO initiative presented was well received, also in view of the fact that it had actually started operations.

9. Finally, several other side events were attended by the UNIDO delegation, and a number of bilateral meetings were held, mainly in relation to the two initiatives.

10. Overall, the Conference resulted in the Monterrey Consensus, a shared vision of the overall importance and complexity of the issue of financing for development. The Consensus, as well as the Conference debates, underlined the perception that the main source of financing for development, in the long term, has to come from increased production in developing countries and through trade. Furthermore, the Conference was an important catalyst for decisions on increased official development assistance (ODA) from the United States of America ($5 billion over the next three years and thenceforth the same amount annually), and the European Union (an increase by 2006 of ODA to 0.39 per cent of GNP, or almost $8 billion per year).

UNIDO follow-up envisaged

11. In UNIDO, the immediate follow-up to the Conference will be mainly to approach potential donor Governments in respect of the overall strategy and possible contributions to the trust fund. Contacts initiated during the Conference will be followed up intensively. Moreover, the already close cooperation with the European Commission on "Enabling developing countries to participate in international trade" will be pursued with a view to developing further joint programmes for Commission funding. Similarly, the development of the venture capital initiative will be pursued as the discussions during the Conference further confirmed its relevance and importance.

II. WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT
Johannesburg, South Africa,
26 August - 4 September 2002

12. In line with resolution GC.9/Res.3 of the General Conference, the Organization has continued its active involvement in the preparatory process for the World Summit on Sustainable Development.

13. UNIDO has supported the preparation of 18 national overview reports on the contribution of industry to sustainable development and on programmes that are facilitating the transfer of environmentally sound technology. These reports are intended as inputs into the national assessments that the States are preparing for the Summit and as examples for other countries on how they could report on the industrial dimension of sustainable development.

14. UNIDO has been involved in the preparation of a regional overview on the contribution of industry to sustainable development for the African region (ECA) and cooperated with UNEP in the preparation of similar reports for Asia and the Pacific (ESCAP), Latin America and the Caribbean (ECLAC) and Western Asia (ESCWA).

15. Participating in the sessions of the Preparatory Committee for the Summit, UNIDO applied a twofold strategy:

- Seek to influence the negotiated text in such a way that it reflects the role of industrial development for sustainable development and recognizes the value of UNIDO services with a view to strengthening the role of the Organization in the interplay of multilateral development cooperation. To that end, UNIDO intervened in the general debate, consulted with delegations of the countries for which UNIDO has commissioned national experts to explore the contribution of industry to sustainable development, participated in the elaboration of a collection of proposals for future action, mounted an exhibition stand and distributed material (brochure "Finding common ground", fact sheets on UNIDO's work on multilateral environmental instruments and "Developing countries' industrial source book");

- Develop the UNIDO initiative on technology transfer ("Assessing needs—promoting action") and other initiatives in the area of energy and solid waste to catalyze action in the real world.

16. In the context of the World Summit on Sustainable Development, the state of international cooperation on technology transfer will be a high priority topic. The unsatisfactory progress on this issue is expected to be deplored.

17. UNIDO's mandate is uniquely suited for a key role on technology transfer. Moreover, there is no other lead agency in the system that coordinates United Nations efforts in the area of technology transfer.

18. Against this background, and together with other suitable players (international organizations, business NGOs, private business, interested Governments, academia), UNIDO is mobilizing a special effort to assess needs in the area of technology transfer and to promote action. This initiative—to be launched by the Director-General at Johannesburg—would combine high quality assessments with a global, regional and sectoral outreach effort. The outreach effort would publicize UNIDO's role in the initiative and build multi-stake-holder alliances that would promote action to address the needs identified.

19. UNIDO has commissioned papers reviewing technology needs assessment methodologies and will keep Member States informed about the formulation of the overall framework of the technology transfer initiative.

III. ACTION REQUIRED OF THE BOARD

20. The Board may wish to take note of the information provided in the present document.

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INVESTMENT TECHNOLOGY PROMOTION OFFICES

Report by the Director-General

Draws the attention of the Board to the need to update the guidelines for the functioning of Investment and Technology Promotion Offices and submits proposals thereon for consideration.

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Introduction

1. The guidelines for the functioning of the Investment and Technology Promotion Offices (then called Investment Promotion Services) were approved by the General Conference of UNIDO at its third session (resolution GC.3/Res.19 of 24 November 1989) and amended at its sixth session (decision GC.6/Dec.12 of 8 December 1995). Having taken into consideration significant programmatic and administrative changes in UNIDO since that time, the present document presents proposals to update the guidelines in the light of present realities.

I. BACKGROUND

2. The objective of the UNIDO investment and technology promotion programme is to help developing countries and countries with economies in transition to bridge the investment gap and the technology divide by strengthening their capacities to attract investment for industrial projects, to assist them in the acquisition of new technologies and in establishing sustainable mechanisms for the promotion of business alliances. In achieving these objectives, the programme relies on the Investment and Technology Promotion Offices (ITPOs).

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3. Within the framework of implementation of the Business Plan, a comprehensive restructuring of the Investment Promotion Service Network was launched in 1998. To emphasize the integration of investment and technology promotion as stipulated by the Business Plan, the name was changed from Investment Promotion Services to Investment and Technology Promotion Offices. This also reflected the need to strengthen and expand UNIDO's activities related to the transfer of industrial technologies as one of the most important components of industrial growth. Indeed, under suitable policy and business conditions, technology transfer can contribute to the development of capability in developing countries, which in turn leads to increased competitiveness in domestic and international markets.

4. Presently, there are ITPOs in Bahrain (Manama), Brazil (Recife), China (Beijing and Shanghai), France (Paris), Greece (Athens), Italy (Milan/Bologna), Japan (Tokyo), Poland (Warsaw), Republic of Korea (Seoul), Russian Federation (Moscow),* and Slovakia (Bratislava). In addition, the Walloon region of Belgium takes part in the Network through a project based at UNIDO Headquarters in Vienna. The ITPO Network is complemented by technical assistance projects called Investment Promotion Units in Egypt, Jordan, Morocco, Tunisia and Uganda, all of which are financed by Italy. Under a cooperative arrangement with the Northwest Development Agency and Nimtech, a focal office was set up aiming to establish an ITPO in the United Kingdom.

5. Detailed information regarding the functioning of the ITPO network will be presented in a conference room paper, which will also highlight the most significant developments, including new initiatives and future direction.

II. PROPOSED GUIDELINES

6. In essence, the objectives, mandate and activities as well as funding, personnel and legal arrangements for ITPOs should remain unchanged. The amendments in the proposed text covering objectives, mandate and activities aim at reflecting the role of ITPOs in technology promotion and transfer. In addition, in view of the active involvement of countries with economies in transition in the ITPO Network, references to that group of countries need to be introduced throughout the guidelines along with references to developing countries.

7. The proposed revised guidelines are presented below for the consideration of the Board.

* UNIDO Centre for International Industrial Cooperation (CIIC), Moscow.

PROPOSED GUIDELINES FOR THE FUNCTIONING OF THE INVESTMENT AND TECHNOLOGY PROMOTION OFFICES

(i) **Objective**

The objective of the UNIDO Investment and Technology Promotion Offices (ITPOs) is to contribute to the industrial development and economic growth of developing countries and countries with economies in transition by identifying and mobilizing the technical, financial, managerial and other resources required for the implementation of specific industrial investment and technology projects in these countries with local partners of such projects.

(ii) **Mandate**

(a) In industrialized countries:

These offices shall devote themselves exclusively to promoting industrial investment and technology from their host countries to developing countries and countries with economies in transition.

(b) In developing countries:

While having as their main objective the promotion of industrial investment from their host countries to other developing countries and countries with economies in transition, these offices may also promote industrial investment and technology from abroad to their host countries.

(iii) **Activities**

(a) To build contacts with enterprises in the host countries willing to consider a business venture with a partner in a developing country or country with economy in transition or to provide inputs for such a venture;

(b) To assess investment and technology projects, the details of which have been supplied by UNIDO Headquarters or other sources, with a view to determining whether an enterprise can be found in their host countries that will be able and willing to supply the foreign resources sought for such projects;

(c) To utilize their contacts with host country enterprises for the promotion of the foreign resources sought by local partners; to provide information on individual local partners and on the climate for investment and technology transfer in the developing countries or countries with economies in transition concerned;

(d) To bring the local partner and the prospective foreign partner into direct contact through

UNIDO investment and technology project promotion programmes, meetings, forums and through any other appropriate means with a view to their commencing negotiations on cooperating in the implementation of the project;

(e) To support and assist both parties in their negotiations and in completing the pre-investment activities, up to the stage at which the parties can conclude a written agreement to implement the project;

(f) To assist developing countries and countries with economies in transition in arousing the interest of potential foreign partners in industrial business opportunities and in the incentives offered by those countries, by receiving delegations representing both the public and private sector and arranging direct contacts between the members of those delegations and the industrial and financial communities of the host countries;

(g) To assist the developing countries and countries with economies in transition in building and strengthening national capabilities for attracting foreign investment and technology by hosting delegations from developing countries and providing them with on-the-job orientation through the promotion vis-à-vis potential foreign partners of specific business opportunities in their home countries;

(h) To gather, present and disseminate information on specific manufacturing facilities that enterprises in their host countries seek to establish in developing countries and in countries with economies in transition through a business partnership with a local entrepreneur; to assist in identifying local partners and help both parties to conclude an agreement;

(i) To undertake such other activities as are conducive to the achievement of the objectives of ITPOs.

(iv) **Funding arrangements**

ITPOs shall be financed by their host countries, which shall make voluntary contributions to UNIDO adequate to meet the costs to the Organization. The funding for all expenditures, including the charge for programme support service (overhead charge), shall be provided in convertible currencies, except that in countries with non-convertible currencies, funding for expenditures of ITPOs in local currency may be provided in such local currency, while the funding for all other expenditures, including the charge for programme support services (overhead costs), shall be provided in convertible currency. The procedures and operations manual for the ITPOs shall be revised and updated in the light of programmatic and administrative changes in UNIDO.

When requested by an interested country, UNIDO shall endeavour to arrange extrabudgetary financing for the installation and operating expenses of ITPOs established in developing countries or countries with economies in transition.

ITPOs may also raise additional resources by charging fees for services rendered on a cost-reimbursement basis.

(v) **Personnel arrangements**

The Heads of the ITPOs will be appointed by the Director-General of UNIDO in accordance with the regulations, rules and procedures of UNIDO and after consultation with the host Governments. UNIDO will operate and supervise the ITPOs. The Heads will either be appointed under the 200 series of the UNIDO staff rules and have the status of international project personnel or will be appointed as a locally-recruited National Professional Officer, to whom the local salary scales apply as established by the International Civil Service Commission (ICSC) for this particular category of Professional staff. For other staff, salaries will be determined on the basis of discussions between the host countries and the UNIDO Secretariat.

III. ACTION REQUIRED OF THE BOARD

8. The Board is invited to consider for adoption the proposed guidelines contained in chapter II above.

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JOINT INSPECTION UNIT ACTIVITIES RELEVANT TO UNIDO

Report by the Director-General

In compliance with Board decision IDB.24/Dec.11, reports on JIU recommendations relevant to UNIDO in the period 2000-2001.

Introduction

1. Having taken note of the pilot scheme of follow-up to recommendations of the Joint Inspection Unit (JIU) outlined in document IDB.24/18, the Board at its twenty-fourth session approved the pilot scheme (IDB.24/Dec.11). In accordance with the provisions therein, one regular Board session per year will consider JIU reports (except in certain specified cases).

2. A total of 14 JIU reports were issued during 2000 and 2001[1] since the last Board document covering JIU reports (IDB.22/6 and Add.1). In 2000, the JIU issued nine reports:

JIU/REP/2000/1	Administration of justice at the United Nations
JIU/REP/2000/2	The use of consultants in the United Nations
JIU/REP/2000/3	Senior-level appointments in the United Nations, its programmes and funds
JIU/REP/2000/4	Review of management and administration in the United Nations Educational, Scientific and Cultural Organization (UNESCO)
JIU/REP/2000/5	United Nations system common services at Geneva. Part II: Case studies
JIU/REP/2000/6	Delegation of authority for the management of human and financial resources in the United Nations Secretariat
JIU/REP/2000/7	Young Professionals in selected organizations of the United Nations system: Recruitment, management and retention
JIU/REP/2000/8	Review of management and administration in the registry of the International Court of Justice
JIU/REP/2000/9*	Strengthening the investigations function in United Nations system organizations

[1] JIU documents are accessible in English, French and Spanish on the Internet at www.unsystem.org/jiu/Reports/html.

* Indicates a report of direct relevance to UNIDO, copies of which are available from documents distribution.

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3. In 2001, the JIU issued a total of five reports:

JIU/REP/2001/1	Management of buildings: Practices of selected United Nations system organizations relevant to the renovation of the United Nations Headquarters
JIU/REP/2001/2*	United Nations system support for science and technology in Latin America and the Caribbean
JIU/REP/2001/3	Review of management and administration in the International Telecommunication Union
JIU/REP/2001/4*	Enhancing governance oversight role: Structure, working methods and practices on handling oversight reports
JIU/REP/2001/5	Review of management and administration in the World Health Organization (WHO)

I. REPORTS SUBMITTED BY THE JOINT INSPECTION UNIT OF DIRECT RELEVANCE TO UNIDO

A. Strengthening the investigations function in United Nations system organizations (JIU/REP/2000/9)

4. The report aims at enhancing the capability of United Nations system organizations for meeting the need for investigations. The inspectors made recommendations with regard to the investigation function at the United Nations system organizations. The following recommendations were made:

Recommendation 1: Common standards and procedures—The third conference of investigators of United Nations organizations and multilateral financial institutions in 2001 should make arrangements for developing and adopting a common set of standards and procedures for conducting investigations in United Nations system organizations.

Recommendation 2: Training for managers—Executive heads of organizations should ensure that managers involved in investigations have sufficient training in the use of established standards and procedures for conducting investigations.

Recommendation 3: Meeting the need for a professional investigations capability—Each executive head should conduct a risk profile of his/her organization as an initial basis for issuing a report to the appropriate legislative organ on the organization's need for access to professionally trained and experienced investigators. This report should indicate those measures that the executive head would recommend as necessary to meet this need.

Recommendation 4: Options for financing access of small organizations to a professional investigations capability—Executive heads of small organizations should present to their appropriate legislative organs options for financing the access that may be necessary for their organizations to professionally trained and experienced investigators such as, inter alia, the use of common services and/or outsourcing (including within the United Nations system).

Recommendation 5: Preventive measures based on proactive investigations and lessons learned—Executive heads should ensure that work programmes of units responsible for investigations include the development of preventive measures based on proactive investigations and lessons learned from completed investigations.

Recommendation 6: Conferences of United Nations investigators—Conferences of investigators of United Nations organizations and multilateral financial institutions should continue to develop opportunities, including those external to the system, to foster inter-agency cooperation regarding the investigations function in areas such as those indicated in the report.

Views of UNIDO

5. UNIDO participates actively in the system-wide debate aimed at strengthening the investigation function. The third conference of investigators initially planned to take place at World Bank Headquarters in Washington, D.C., in September 2001 was finally held in March 2002, with UNIDO as an active participant. Discussions focused mainly on formulating and agreeing upon a common set of system-wide standards (recommendation 1). That process is continuing with further refinements taking place at the next meeting of Representatives of Internal Audit Services of the United Nations organizations and multilateral financial institutions in June 2002.

6. UNIDO participated in a seminar on fraud, abuse and accountability, held at Lyon, France, in October 2001. The seminar was co-organized by the World Food Programme and Interpol for internal oversight offices of United Nations system organizations. UNIDO also participated in a basic investigation course organized through the United Nations Office at Vienna by the Office of the Inspector-General, New York.

7. As indicated in paragraph 5 above, a common set of system-wide standards in investigations discussed at

the third conference of investigators is expected to be finalized at the thirty-third meeting of Representatives of Internal Audit Services of United Nations organizations and multilateral financial institutions in June 2002. The UNIDO Internal Oversight Group conducts a risk assessment review at the beginning of the year in order to come up with its work programme. Moreover, and particularly for ad hoc investigations, the Director-General releases specific funds for the recruitment of specialized expertise. For example, in a recent investigation forensic handwriting expertise was retained from both an individual local consultant and an international investigation firm.

8. UNIDO recognizes that there is merit in the concept of supplementing skills through the use of external resources, particularly since the scale of UNIDO's internal oversight function does not allow the retention of pools of highly specialized staff.

9. UNIDO's Internal Oversight Group conducts a yearly risk assessment review. The Group has also implemented a computerized oversight management system that will progressively enable access to past investigations (and related supporting data) in a much faster time frame than previous manual storage systems. It progressively replaces the UNIDO Intranet-based postings of recommendations and lessons learned derived from the Internal Oversight Group audits, inspections, investigations, comments and observations.

10. As indicated above, UNIDO takes advantage of its participation in conferences and other seminars to cooperate more closely with its colleagues involved in investigations in the United Nations system. This has already been the case on specific technical cooperation projects involving other agencies. UNIDO is also striving to promote closer inter-agency cooperation and exchange of information for the recovery of funds identified as unduly spent by organizations as identified by investigations.

B. United Nations system support for science and technology in Latin America and the Caribbean (JIU/REP/2001/2)

11. The report aims at assessing the relevance and effectiveness of the technical cooperation provided by organizations of the United Nations system to endogenous capacity-building in science and technology in Latin America and the Caribbean. Recommendations were as follows:

Recommendation 1: United Nations system joint programme for science and technology for development—In order to enable the Member States to address more comprehensively the opportunities and risks represented for global society and international economic relations by the ongoing prodigious advances in science and technology, and to give programmatic expression to relevant provisions of the Group of 77 and China South Summit Declaration in Havana in April 2000, the Summit Declaration of the Group of 8 industrialized countries in Okinawa in July 2000, and the Secretary-General's key proposals on science and technology to the United Nations Millennium Summit in September 2000, the United Nations Commission on Science and Technology for Development may wish to discuss the desirability, feasibility and timeliness of a United Nations system joint programme for science and technology, modelled on UNAIDS, for reasons and purposes discussed in paragraphs 114 to 125 of [the JIU] report, and to make appropriate recommendations to the Economic and Social Council.

Recommendation 2: Capacity-building in information technology (IT)

(a) ECLAC should further expand its use of information technology as a cross-sectoral and cross-programme tool in order to enhance programmatic coordination and internal work-process efficiencies, and to assist its member countries more effectively in the implementation of the Declaration of Florianopolis (Brazil) of 21 June 2000.

(b) The United Nations Development Group and specialized agencies should study [the Inter-American Development Bank's] policy and operational approaches to IT capacity-building in Latin America and the Caribbean, in order to derive lessons that could be applied in other developing regions.

Recommendation 3: Latin American Economic System (SELA)—Pursuant to several General Assembly resolutions, in particular resolution A/RES/54/8 of 18 November 1999, United Nations system organizations active in Latin America and the Caribbean should intensify their cooperation with SELA's science and technology initiatives, especially in TCDC.

Recommendation 4: Science and technology networks—United Nations system organizations should assess the viability, benefits and experiences of the numerous science and technology networks in Latin America and the Caribbean, in order to identify possible areas for strengthening South-South cooperation, and for extending lessons learned to other developing regions in line with the Declaration of the Group of 77 and China 2000 South Summit. Particular emphasis should be placed on linking the research programmes in universities, and other tertiary institutions to the priority economic and social needs of the population, and the best research programmes should be encouraged with funding from the public and private sectors.

Recommendation 5: UNCTAD-supported science, technology and innovation policy reviews (STIP)

(a) UNCTAD should involve other relevant United Nations system organizations more fully in future STIP reviews and the lead agency role could rotate among the participating organizations depending on the area of emphasis of each review.

(b) Subject to the wishes of the Governments concerned, the STIP reviews should in future focus more sharply on the essential core of the national science and technology system.

(c) The final review reports should be significantly simplified to make them user-friendly for policy makers and a separate ten-page summary version of each report should be prepared for host government officials and for the Commission on Science and Technology for Development (CSTD).

Recommendation 6: Environmental information exchange network (UnepNet)—UNEP should evaluate UnepNet's current performance and diffusion in Latin America and the Caribbean to determine its continuing impact in the region and explore the possibility of extending the network to other developing regions as an interregional information exchange mechanism.

Recommendation 7: Biotechnology in Latin America and the Caribbean—In view of the multiple potential benefits of biotechnology in the health, agricultural, mineral and other sectors, FAO, UNESCO, UNU, WHO and other relevant agencies should continue to monitor the practical results of biotechnology research and development institutions in the region. They should assist these institutions in (a) building synergies for the pursuit of clear-sighted objectives centred on UNU's Biotechnology Programme for Latin America and the Caribbean (UNU/BIOLAC) in Caracas, and the Plant Biotechnology Network for Latin America and the Caribbean (REDBIO); and (b) in the strengthening of their organization, management and resource mobilization capabilities.

Recommendation 8: The Caribbean Food and Nutrition Institute (CFNI)

(a) CFNI should consider the feasibility of developing a more cost-effective system of priorities and modalities for the execution of its programmes, for example by concentrating on fewer courses and other activities to be delivered or financed directly; outsourcing some courses to partner institutions under formal agreements; and focusing more intensely on the preparation of teaching and training materials and methodologies to promote the incorporation of nutrition courses in school curricula at various levels.

(b) WHO/PAHO should assist CFNI in tapping extrabudgetary funding possibilities so as to enable the institute to modernize its information and printing technologies and realize more fully its South-South technical cooperation potential.

Views of UNIDO

12. The report evaluates positively the contribution of UNIDO to the implementation of the mandatory activities and actions of the United Nations system in the field of science and technology for development, especially the Organization's contribution through the project "Regional programme of cooperation in microelectronics" (RLA/86/003).

13. The report identifies strengths and weaknesses of the United Nations system in promoting science and technology for development, which are in principle valid for almost all its areas of action. The UNIDO transformation process has addressed these issues.

14. Emphasis is placed on the growing importance of science and technology in the context of the United Nations system mandate. Having also recognized this importance, UNIDO has already launched a series of initiatives to address this issue, such as the international technology centres, the integration of the promotion of investment and technology, technology foresight programmes for Latin America and the CEE/NIS countries and technology management capacity-building.

15. A fundamental proposal of the report is the need for coordination and integration of the support programmes and services of United Nations organizations, especially with regional organizations. The proposal for a coordinating facility is very interesting for UNIDO, recognized in the report as one of the leading organizations in this field.

16. To meet the requirements and proposals of the report, UNIDO has to address the issues of internal capacity and enhanced mobilization of funds for science and technology support programmes.

17. One weak point of the projects evaluated by the report is the linkage with the productive sector, especially with local industry. This is an area where UNIDO's experience and expertise could be effectively utilized for enhancing the linkages through the provision of United Nations support for science and technology.

18. The priority areas indicated in the report (environmentally-sound technologies, biotechnology and information and communication technology) coincide with the areas selected by UNIDO for concentration. UNIDO should therefore reinforce this concentration with more internal capacity and coordination.

19. A special area of UNIDO interest should be more effective coordination with UNCTAD in developing and

implementing the Science and Technology Policy Reviews, taking an active role in addressing the linkages with and participation of the industrial sector. The proposal of rotating leadership could be an excellent means for UNIDO to strengthen its role in this exercise.

20. It is noted that the regional organizations in Latin America have programmes and activities for promoting science and technology in line with UNIDO services, especially the Economic Commission for Latin America and the Caribbean, the Organization of American States and the Inter-American Development Bank. A special task force should be implemented to monitor and coordinate these actions to avoid duplication and enhance synergies.

21. To facilitate the participation of UNIDO in supporting science and technology for development, a review of the integrated programmes and country frameworks should be carried out to introduce or strengthen its activities in this field.

C. Enhancing governance oversight role: Structure, working methods and practices on handling oversight reports (JIU/REP/2001/4)

22. This represents the only JIU report received since the Board's approval of the pilot scheme (IDB.24/Dec.11). In line with the provisions of the pilot scheme, copies of the report were distributed to the permanent missions on 21 January 2002. The following recommendations were made by JIU:

Recommendation 1: The legislative organs may wish to adopt, as a matter of principle, the following modus operandi for enhancing the effectiveness of their oversight functions:

(a) Following the intent of the United Nations General Assembly as expressed in resolution 50/233 and decision 55/461, list thematic oversight reports, as far as feasible and practical, under the appropriate substantive agenda items, together with any other relevant reports listed under the same agenda items;

(b) When more than one report (including an oversight report) is listed under a specific agenda item, review all the relevant parts of the reports listed in a comprehensive and coordinated manner;

(c) Link fully the review made in (b) above to setting policy and/or management directives on the issue (under the agenda item) in question, with specific legislative actions on the strategic/policy matters whenever required;

(d) In addition, make organizational arrangements to ensure that consideration of programme matters is linked systematically to the consideration of administrative/budgetary/financial matters;

(e) Furthermore, consider/verify, either separately or as a part of the review exercise in (b) above, secretariat compliance with approved oversight recommendations while ensuring, at the same time, reinforcement of a system of secretariat accountability and responsibility.

Recommendation 2: In applying the modus operandi in recommendation 1 above, the legislative organs, depending on the existing arrangements, may wish to adopt measures to rationalize or strengthen governance structures as well as their working methods along the lines indicated below:

(a) For the organizations with more than one committee (covering oversight at least as a part of the terms of reference, and subsidiary to the "executive" legislative organ) (FAO, ITU, UNESCO and WHO):

(i) Consolidate (or convert) the existing committees basically into two, i.e. programme and administrative/budget/finance committees (option 1); or

(ii) Establish a single standing committee as subsidiary to the "executive" legislative organ by consolidating the existing committees (option 2);

(b) For the organizations with a single committee (ILO, UNIDO, UPU, WIPO, WMO and IAEA), maintain the single committee, but fully embody the modus operandi in Recommendation 1 in respect of its organization and working methods, and for that purpose, broaden, when necessary, its terms of reference and enhance its authority regarding all oversight matters excluding purely technical areas;

(c) For the organizations with no committee (United Nations Funds and Programmes, and IMO), what is required is to embody the same modus operandi in the functioning of the "executive" legislative organ itself, with the necessary structural [re-] arrangement (including the possible creation of a sessional committee);

(d) Furthermore, where it is not the case, the "executive" legislative organs, depending upon the size, resources and needs of their respective organizations, could be assisted by a small expert advisory body on administrative/financial and related managerial questions reporting to the administrative/budget/finance

committee/the single committee or direct to the "executive" legislative organ (IMO).

Recommendation 3: In the interest of efficiency, effectiveness and economy in governance oversight, and drawing on practices in some of the United Nations organizations, the legislative organs, where applicable, may also wish to review the following questions:

(a) Numerical composition of the "executive" legislative organs and/or their subsidiary committees, including an option of maintaining a limited/elected core membership of the committees where such is the practice, while allowing wider participation as observers by interested members of the "executive" legislative organs;

(b) Expertise and experience of the members of the "executive" legislative organs and/or their committees covering oversight, which should be represented or accompanied, to the extent possible, by individuals having managerial expertise in administrative and financial matters in addition to technical knowledge of the work of the organizations concerned;

(c) Frequency and duration of the sessions, including, inter alia, the possibility of less frequent and shorter sessions, with more streamlined agendas and focused considerations on issues requiring legislative actions; as well as

(d) Travel and subsistence allowance paid to the delegates, as far as such practices are in existence, including the possibility of abolishing such practices (entirely, or partially; e.g. maintain travel allowance only) as a matter of principle with due regard, however, to the capacity of countries, in particular the least developed countries, to finance their representation.

Recommendation 4: As a supplement to the measures being/to be taken to improve handling reports prepared by oversight mechanisms, the Executive Heads, following the practice mandated by the General Assembly for the United Nations in its resolution 52/220 II (para. 8), should include in the individual sections of programme [and] budget, a summary of the relevant recommendations and related follow-up actions taken.

Views of UNIDO

23. As stated in the report, "the legislative organs perform their oversight role by reviewing and acting on relevant documentation submitted mainly by the secretariats, external oversight mechanisms (external auditors including Board of Auditors, and JIU) and in some instances also internal oversight mechanisms." In UNIDO, based on the functions of the legislative organs as specified in the Constitution, it is primarily the Industrial Development Board ("single committee"), supported by the Programme and Budget Committee, which exercises the oversight role. In addition to the annual reports on activities of the Organization and other documentation submitted by the Director-General and the Secretariat, the Board considers reports of the External Auditor and recommendations of the Programme and Budget Committee thereon. The approach to the consideration by the Board of JIU reports was the subject of discussion at its twenty-second, twenty-third and twenty-fourth sessions, and resulted in the pilot scheme of follow-up to JIU recommendations (decision IDB.24/Dec.11).

24. Recommendation 1 emphasizes the importance of linkages at various levels. The emphasis placed by UNIDO on efficiency both in the governing bodies and at the operational level reflects the extent to which linkages are employed to enhance efficiency at all levels. For example, substantive questions are covered by the annual report except in cases where the governing bodies specify that an issue should be considered separately. Also, the programme and budget proposals link systematically programme matters with administrative, budgetary and financial considerations.

25. In accordance with the functions assigned to it by the UNIDO Constitution and in the rules of procedure, it is considered that the terms of reference of the Board are sufficiently broad, and that its authority is sufficient to carry out effectively its oversight function (recommendation 2).

26. Recommendation 3 covers a number of points related to the approaches for the interaction of Member States in the oversight role exercised by the legislative organs, the duration of sessions and the financing of participation therein. The following comments apply to UNIDO:

(a) Increased informal interaction with Member States has resulted in resource economies for Board sessions. Pre-session presentations of issues for consideration, featuring the involvement of permanent missions to UNIDO, regional groups, and sometimes the Bureau ensures the full awareness of interested Member States and facilitates progress in achieving a common position, thereby enabling the session to finish its work in the limited time available. Furthermore, the informal practice of "enlarged Bureau" meetings to prepare sessions ensures broader representation by including chairpersons of all regional groups as well as members of the Bureau (officers of the respective governing body). In accordance with the rules of procedure, sessions themselves feature the participation of members of the respective organ as well as non-voting observers;

(b) It is a matter for Member States to include in their delegations individuals having managerial expertise in administrative and financial matters and the technical knowledge required;

(c) Considerable progress has been made by the UNIDO governing bodies since the mid-1990s in reducing the duration of sessions (see para. 26 (a) above). In particular, the frequency and duration of sessions of the Board was discussed at its resumed eighteenth session in November 1997 and resulted in the adoption of decision IDB.18/Dec.17;

(d) Article 12 of the Constitution of UNIDO states: "Each Member and observer shall bear the expenses of its own delegation to the Conference, to the Board or to any other organ in which it may participate."

27. Recommendation 4 is directed to the executive heads of organizations. A constructive dialogue between UNIDO and JIU resulted in the adoption of Board decision IDB.24/11 and of the pilot scheme for follow-up of JIU recommendations outlined in document IDB.24/18. UNIDO supports the follow-up of JIU recommendations by integrating these into the new UNIDO oversight recommendations tracking system. The installation of internal oversight software in the last quarter of 2001 enables extensive use of electronic papers and facilitates the tracking of implementation of oversight recommendations.

II. ACTION REQUIRED OF THE BOARD

28. In compliance with the provision of the Statute of JIU, resolution 48/221 of the General Assembly, and paragraph 9 of the pilot system of UNIDO follow-up to JIU recommendations, the Board may wish to review the recommendations of the JIU together with the views of UNIDO thereon. The Board is invited to take specific decisions with regard to those recommendations requiring legislative action, which in the context of the present document relates to recommendations 1-3 in the report on governance and oversight (JIU/REP/2001/4), covered in chapter I.C above.

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Industrial Development Board

Twenty-fifth session
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Item 4 of the provisional agenda

FINANCIAL SITUATION OF UNIDO

Report by the Director-General

Provides information on the financial situation of UNIDO, including arrears, as at 31 March 2002. Also refers to the initial experience of the Organization in the transition to a single currency system of assessment. A conference room paper will be issued during the session to provide updated information on the status of assessed contributions, voting rights and disposition of unencumbered balances of appropriations, income from new Member States and interest income in excess of budgetary estimates.

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I. OVERVIEW

1. The financial situation as at 31 March 2002 can be summarized in the following major points:

(a) The regular budget is being implemented with an initial allocation of 97 per cent of the 2002 appropriations. Expenditure for the first quarter amounted to 26.5 per cent;

(b) The operational budget recorded a surplus of €1.6 million during the first quarter of 2002; therefore, the level of the operational budget reserve increased from €3.3 million ($2.98 million) as at 1 January 2002 to €4.9 million as at 31 March 2002;

(c) The level of regular budget cash resources (including the Working Capital Fund and the unencumbered balances of appropriations) was €34.7 million. In comparison, the cash balance as at 31 March 2001 and 2000 was €29.8 million and €24.3 million, respectively;

(d) The collection rate of 2002 assessed contributions was 47.2 per cent and was favourable compared to the 2001 and 2000 rates of 35.7 and 35.9 per cent, respectively;

(e) The collection rate of prior years' arrears, as compared to the current year's assessments, was 2.3 per cent. The rates as at 31 March 2001 and 2000, as compared to the assessments of those years, were 12.4 and 2.7 per cent, respectively;

(f) Outstanding contributions amounted to €144.9 million (including arrears of €69.3 million by the United States of America, and €2.1 million by the former Yugoslavia) (annex I). The outstanding amounts as at 31 March 2001 and 2000 were €152.7 million and €158.6 million, respectively (for comparison revalued at the December 2001 United Nations rate of exchange, $1 = €1.123, in accordance with GC.9/Dec.15);

(g) The Working Capital Fund is at the level of €7,423,030 ($6,610,000 converted at the December rate of $1= €1.123). However, an amount of €259,212 was outstanding as at 31 March 2002;

(h) Pursuant to General Conference decision GC.9/Dec.12, Ukraine and UNIDO signed a payment plan on 25 March 2002, and the first instalment under the plan was received on 28 December 2001. Consultations are continuously taking place with a number of Member States regarding settlement of their arrears through payment plans;

(i) In compliance with General Conference decision GC.9/Dec.10, unencumbered balances of appropriations, income from new Member States and interest income in excess of budgetary estimates (total amount €7,195,414) are being allocated as requested by Member States (annex II);

(j) Recent actions and developments with respect to the transition to a single currency system, as well as issues encountered, are provided as background information in a conference room paper (IDB.25/CRP.3).

II. REGULAR AND OPERATIONAL BUDGETS

Regular and operational budgets, 2002-2003

2. Regular budget implementation of the approved programme and budgets, 2002-2003, commenced as planned. In view of the expected collection rate of assessed contributions of some 97 per cent during the year (both for current and prior years), as well as the healthy cash position of the Organization at the beginning of 2002, an average release of 97 per cent of the appropriations for 2002 under the regular budget, including UNIDO's share of Buildings Management Services, was approved. This included 100 per cent release for staff costs, the Regular Programme of Technical Cooperation, field operating costs and information technology; and an average of 86.3 per cent under consultants, travel, meetings and operating costs. The pattern compares favourably with the start of the 2000-2001 biennium, whereby after the first three months of 2000 only 90 per cent of appropriations were released.

3. The Buildings Management gross appropriation was released at the level of 96 per cent, reflecting the actual higher-than-budgeted vacancy rate under established posts. Operating costs were fully released.

4. Expenditure during the period 1 January to 31 March 2002 amounted to €18.1 million under the regular budget. This amount corresponds to 26.5 per cent of the total appropriation for 2002 and is comparable with the preceding biennium. The current value represents a smooth budget implementation with a lesser risk of delaying or non-implementing approved programmes.

5. The initial allocation under the operational budget was set at 95 per cent of the approved estimate. With a $32 million delivery of technical cooperation activities as of 31 March 2002 (delivery as of 31 March 2001 for the same period was $27 million), income for the first quarter amounted to €4.1 million ($3.6 million) for support cost reimbursement. Expenditure for the same period amounted to €2.5 million, leading to a surplus of €1.6 million during the first quarter of 2002. Therefore, the level of the operational budget reserve increased

from €3.3 million ($2.98 million) as at 1 January 2002 to €4.9 million as at 31 March 2002.

Regular and operational budgets, 2000-2001

6. The accounts for the biennium 2000-2001 have been submitted for audit to the External Auditor. In accordance with legislative mandates, the report of the External Auditor, financial performance report and programme performance report for the biennium 2000-2001 will be submitted to the twenty-sixth session of the Board through the Programme and Budget Committee.

7. The overall implementation of the regular budget for the last biennium was 96.4 per cent, resulting in a provisional surplus of $4,248,200, which represents 3.6 per cent of the restated appropriations after applying the adjustment formula shown in the GC.8/Dec.17 to take account of the average exchange rate actually experienced during the biennium. This implementation compares favourably with the last four bienniums (1998-1999: 91.7 per cent; 1996-1997: 80.7 per cent; 1994-1995: 88.3 per cent; 1992-1993: 94.5 per cent). The higher implementation of the biennium 2000-2001 is due to the favourable cash position of the Organization, which, inter alia, has resulted from a better collection rate of both current and prior years' assessed contributions.

8. The programme support cost income of the operational budget for the biennium amounted to $18.65 million, with expenditures of $17.29 million. As a result, the operational budget recorded a surplus of $1.36 million. The reserve level thus increased from $1.62 million on 1 January 2000 to $2.98 million as at 31 December 2001.

9. Technical cooperation delivery during 2001 amounted to $84.7 million . However, should technical services at the programme and project levels of United Nations Development Programme and Industrial Development Decade for Africa supplementary activities be included, the volume of technical services provided by UNIDO during the year totalled more than $90 million.

III. ASSESSED CONTRIBUTIONS

A. Collections

10. A total of 27 Member States, including two least developed countries (LDCs), have made full payments and 20 Member States, including five LDCs, have made partial payments of their assessed contributions for the year 2002. The collections in the period from January to March 2002, broken down by Lists of States, are shown in table 1.

Table 1. Collections, January-March 2002
(In millions of euros)

*Lists of States**	*Current year*	*Prior years*	*Total*
A	1.4	0.5	1.9
B	28.0	0.5	28.5
C	0.3	0.1	0.4
D	1.8	0.4	2.2
Others	0.0	0.0	0.0
USA	0.0	0.0	0.0
Total	**31.5**	**1.5**	**33.0**

* As contained in document GC.9/16.

B. Outstanding contributions

11. The detailed status of assessed contributions outstanding as at 31 March 2002 is contained in annex I to the present document. The scale of assessment and outstanding contributions as at 31 March 2002, broken down by Lists of States, are shown in table 2.

Table 2. Scale of assessment and outstanding contributions, as at 31 March 2002

*Lists of States**	*Scale of assessment %*	*(Millions of euros)* *Current year*	*Prior years*	*Total*
A	10.702	5.74	6.41	12.15
B	78.573	24.49	0.31	24.80
C	7.618	4.76	16.38	21.14
D	3.102	0.31	16.77	17.08
Others	0.005	0.00	0.48	0.48
Subtotal	100.000		40.35	75.65
USA		0.00	69.26	69.26
Total	**100%**	**35.30**	**109.61**	**144.91**

* As contained in document GC.9/16.

12. On 6 December 2000, the Federal Republic of Yugoslavia deposited the instrument of accession to the Constitution of UNIDO and thus became a new Member State. As the former Yugoslavia has ceased to exist, a decision will have to be taken with regard to the treatment of the arrears of the former Yugoslavia, amounting to €2,084,146. The issue is among the items on the agenda of the United Nations General Assembly and document A/56/767 of 9 January 2002 contains details. The Secretariat is closely following further developments and any decision to be taken by the General Assembly in this respect will be conveyed to the UNIDO governing bodies.

IV. VOTING RIGHTS

13. As indicated in annex I to the present document and as summarized in table 3, the voting rights of 61 Member States had been suspended as at

31 March 2002 in accordance with Article 5.2 of the Constitution and financial regulation 5.5(b).

Table 3. Suspension of voting rights, as at 31 March

	Number of Member States		
Members of	*2002*	*2001*	*2000*
General Conference	61	63	67
Industrial Development Board	4	4	7
Programme and Budget Committee	2	3	4

14. In order to restore their voting rights for the remainder of 2002, these Member States must pay their full contributions for 1999 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2000. The minimum total amount that would have to be paid by these Member States is €22,259,710.

V. IMPLEMENTATION OF RECOMMENDATIONS OF GROUP ON TIMELY PAYMENTS

15. Information was provided in document GC.9/10 of 22 October 2001 on the implementation of the measures recommended by the open-ended discussion group on timely payment of assessed contributions. Since that time one payment plan has been concluded (with Ukraine, as approved by the General Conference in decision GC.9/Dec.12), and the first instalment under the plan has been received. Informal consultations are continuously taking place with a number of Member States regarding settlement of their arrears through payment plans.

16. As reported in document GC.9/10, the United States of America owes €69,264,731 (equivalent to $61,678,302), against assessed contributions for the years 1994-1996 and €953,547 ($849,107) against the Tax Reimbursement Agreement—a total amount of €70,218,278. There has been no further development on the collection of this amount, although the Secretariat has again followed up this year with the Permanent Representative of the United States of America to the United Nations (Vienna) for the settlement of the arrears.

VI. UNENCUMBERED BALANCES OF APPROPRIATIONS, INCOME FROM NEW MEMBER STATES AND INTEREST INCOME IN EXCESS OF BUDGETARY ESTIMATES

17. Detailed information on the unencumbered balances of appropriations, income from new Member States and interest income in excess of budgetary estimates was provided in document GC.9/10. The following amounts in euros were due for distribution to eligible Member States (i.e. those that had fully paid their assessed contributions for the respective biennium) in accordance with financial regulations 4.2(b) and (c):

	Euros
• Unencumbered balances of appropriations for the biennium 1992-1993, 1996-1997 and 1998-1999	6,291,531
• Income from new Member States	355,636
• Interest income in excess of budgetary estimates	548,247
Total	€7,195,414

18. While adopting the decision on the scale of assessments (GC.9/Dec.10), the General Conference strongly encouraged Member States to consider renouncing voluntarily their shares of the balances and income referred to above, for the regular budget and/or for technical cooperation activities of UNIDO, and requested the Director-General to report to the Board on the amounts renounced and purposes specified by Member States. From early January 2002, the Secretariat solicited from Member States their intention as to the utilization of their respective share and requested replies to be returned by 28 February 2002. Responses received as at 31 March 2002 are shown in annex II and are summarized below.

	Euros
Regular budget	24,621
IDF general-purpose	361,174
IDF special-purpose/integrated programme	1,660,794
Assessed contributions	2,734,330
Return, or "other purpose"	117,068
Total	€4,897,987

VII. IMPLEMENTATION OF A NEW FINANCIAL SYSTEM

19. As reported in various documents, including GC.9/10 (chap. VII), UNIDO gradually introduced a new computerized financial performance control system (FPCS) during 2000-2001. After one year of parallel operation of the previous mainframe system and FPCS, UNIDO has been using FPCS as the sole system for all accounting transactions since 1 January 2002.

20. The parallel operation was helpful in fine-tuning the application and adjusting procedures to make best

use of the features offered by the new system. The switch-over coincided with the introduction of the euro as the base currency for UNIDO's accounts. Most of the remaining issues with the new system are related to the requirement of continuing the accounting for technical cooperation activities in United States dollars, whereas the base currency is now the euro.

21. Work will also continue in the area of designing various reports based on transaction data captured by the new system as well as linking it to existing executive management systems. In addition, the application will be rolled out to all staff involved in financial operations for capturing data at the point of origin, and enabling staff to have on-line information on the status of activities for which they are responsible.

VIII. TRANSITION TO A SINGLE CURRENCY SYSTEM

22. In accordance with General Conference decision GC.8/Dec.16, a single currency system of assessment based on the euro became effective with the current fiscal period 2002-2003. Since the adoption of that decision in 1999, the Secretariat has kept Member States informed of steps taken for the introduction of the single currency system. Recent action and developments with respect to the transition, as well as issues encountered, are provided as background information in a conference room paper (IDB.25/CRP.3), and a document on the subject will be issued to the Programme and Budget Committee at its forthcoming eighteenth session. Among the steps taken in compliance with decision GC.8/Dec.16 was the amendment of the concomitant Financial Regulations of UNIDO. A conference room paper containing the updated regulations will be issued under the symbol IDB.25/CRP.4.

IX. ACTION REQUIRED OF THE BOARD

23. The Industrial Development Board may wish to consider adopting the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the information provided in document IDB.25/6;

"(b) Also takes note of the information on the implementation of General Conference decision GC.9/Dec.10 (IDB.25/6, chap. VI);

"(c) Urges those Member States that have not yet paid their assessed contributions, including advances to the Working Capital Fund and prior years' arrears, to do so without delay."

Annex I

STATUS OF ASSESSED CONTRIBUTIONS TO THE UNIDO REGULAR BUDGET

As at 31 March 2002 (in uros)

Country	Outstanding in total	WCF	Total due	Years	Voting rights[1]	Minimum payment to gain voting rights
AFGHANISTAN	83,462	446	83,908	1992(p) - 2002	No	72,220
ALBANIA	5,165	-	5,165	2001 - 2002	Yes	
ALGERIA	62,775		62,775	2002 (p)	Yes	
ANGOLA	519		519	2002 (p)	Yes	
ARGENTINA	3,600,362	1,411	3,601,773	1999(p) - 2002	No	440,550
ARMENIA	912,782		912,782	1992(p) - 2002	No	899,320
AUSTRIA	-	-	0	-	Yes	
AZERBAIJAN	1,269,247		1,269,247	1993(p) - 2002	No	1,245,410
BAHAMAS	1,266		1,266	2002 (p)	Yes	
BAHRAIN	16,746		16,746	2001(p) - 2002	Yes	
BANGLADESH	6,175		6,175	2002 (p)	Yes	
BARBADOS	8,021	74	8,095	2002	Yes	
BELARUS	700,727		700,727	1997(p) - 2002	No	575,100
BELGIUM	981,519		981,519	2002	Yes	
BELIZE	668	-	668	2002	Yes	
BENIN	5,168	-	5,168	2000(p) - 2002	Yes	
BHUTAN	743	-	743	2001(p) - 2002	Yes	
BOLIVIA	7,353	75	7,428	2002	Yes	
BOSNIA AND HERZEGOVINA	218,246		218,246	1992(p) - 2002	No	206,020
BOTSWANA	11,272		11,272	2001(p) - 2002	Yes	
BRAZIL	14,373,466	59,608	14,433,074	1995(p) - 2002	No	9,721,560
BULGARIA	-	-	0	-	Yes	
BURKINA FASO	1,059	-	1,059	2002	Yes	
BURUNDI	65,703	-	65,703	1993(p) - 2002	No	63,900
CAMBODIA	2,005	149	2,154	2002	Yes	
CAMEROON	39,016		39,016	1999(p) - 2002	No	6,630
CAPE VERDE	95,456		95,456	1991(p) - 2002	No	91,070
CENTRAL AFRICAN REPUBLIC	110,813	-	110,813	1989(p) - 2002	No	109,010
CHAD	93,920	-	93,920	1991(p) - 2002	No	92,120
CHILE	278,372		278,372	2001(p) - 2002	Yes	
CHINA	1,412,099	53,891	1,465,990	2002	Yes	
COLOMBIA	146,964		146,964	2002 (p)	Yes	
COMOROS	133,992	-	133,992	1986(p) - 2002	No	132,190
CONGO, REPUBLIC OF	108,698		108,698	1989(p) - 2002	No	103,020
COSTA RICA	104,271	296	104,567	1994(p) - 2002	No	55,700
CÔTE D'IVOIRE	24,797	61	24,858	2000 - 2002	No	220
CROATIA	55,180		55,180	2001(p) - 2002	Yes	
CUBA	64,548		64,548	2000(p) - 2002	Yes	
CYPRUS	36,096	296	36,392	2002	Yes	
CZECH REPUBLIC	-	-	0	-	Yes	
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	21,724		21,724	2000(p) - 2002	Yes	
DEMOCRATIC REPUBLIC OF THE CONGO	118,546		118,546	1989(p) - 2002	No	102,450
DENMARK	717,246	3,787	721,033	2002	Yes	
DJIBOUTI	92,898	-	92,898	1991(p) - 2002	No	91,090
DOMINICA	1,085	-	1,085	2001 - 2002	Yes	
DOMINICAN REPUBLIC	329,813	2,198	332,011	1986 - 2002	No	283,050
ECUADOR	22,824	445	23,269	2002	Yes	

Country	Outstanding in total	WCF	Total due	Years	Voting rights	Minimum payment to gain voting rights
EGYPT	73,863	1,409	75,272	2002	Yes	
EL SALVADOR	158,997	1,838	160,835	1988 - 2002	No	121,050
EQUATORIAL GUINEA	133,992	-	133,992	1986(p) - 2002	No	132,190
ERITREA	668	-	668	2002	Yes	
ETHIOPIA	-	-	0	-	Yes	
FIJI	12,751	-	12,751	1999(p) - 2002	No	1,820
FINLAND	-		0	-	Yes	
FRANCE	-	-	0	-	Yes	
GABON	25,929		25,929	2001(p) - 2002	Yes	
GAMBIA	75,377	-	75,377	1992(p) - 2002	No	73,570
GEORGIA	1,594,398		1,594,398	1992(p) - 2002	No	1,576,970
GERMANY	3,738,178		3,738,178	2002 (p)	Yes	
GHANA	15,244		15,244	2000(p) - 2002	Yes	
GREECE	-	-	0	-	Yes	
GRENADA	87,944	-	87,944	1991(p) - 2002	No	86,140
GUATEMALA	78,653	816	79,469	1999(p) - 2002	No	20,050
GUINEA	18,913	-	18,913	1998(p) - 2002	No	11,230
GUINEA-BISSAU	116,123	-	116,123	1988(p) - 2002	No	114,320
GUYANA	1,223	-	1,223	2001 - 2002	Yes	
HAITI	1,938	-	1,938	2002	Yes	
HONDURAS	2,830	149	2,979	2002	Yes	
HUNGARY	-	-	0	-	Yes	
INDIA	-		0	-	Yes	
INDONESIA	-	-	0	-	Yes	
IRAN (ISLAMIC REPUBLIC OF)	464,769		464,769	2000(p) - 2002	Yes	
IRAQ	1,573,536	7,274	1,580,810	1991(p) - 2002	No	1,428,060
IRELAND	-	-	0	-	Yes	
ISRAEL	361,895		361,895	2002 (p)	Yes	
ITALY	-	-	0	-	Yes	
JAMAICA	8,303		8,303	2001 - 2002	Yes	
JAPAN	14,483,187		14,483,187	2002 (p)	Yes	
JORDAN	7,353	149	7,502	2002	Yes	
KAZAKHSTAN	572,565		572,565	1997(p) - 2002	No	454,690
KENYA	15,591	75	15,666	2000(p) - 2002	Yes	
KUWAIT	-	-	0	-	Yes	
KYRGYZSTAN	375,111		375,111	1993 - 2002	No	362,980
LAO PEOPLE'S DEMOCRATIC REPUBLIC	-	-	0	-	Yes	
LEBANON	9,944		9,944	2002 (p)	Yes	
LESOTHO	3,168		3,168	2000(p) - 2002	Yes	
LIBERIA	105,319		105,319	1990(p) - 2002	No	100,930
LIBYAN ARAB JAMAHIRIYA	325,253		325,253	1999(p) - 2002	No	28,080
LITHUANIA	419,152	-	419,152	1995(p) - 2002	No	375,540
LUXEMBOURG	-	-	0	-	Yes	
MADAGASCAR	2,605	-	2,605	2002 (p)	Yes	
MALAWI	36,213	-	36,213	1996(p) - 2002	No	30,490
MALAYSIA	-	-	0	-	Yes	
MALDIVES	1,689	-	1,689	2000 (p) - 2002	Yes	
MALI	17,180	-	17,180	1998(p) - 2002	No	11,460
MALTA	-	-	0	-	Yes	
MAURITANIA	113,317	-	113,317	1988(p) - 2002	No	111,510
MAURITIUS	10,027	223	10,250	2002	Yes	
MEXICO	918,335		918,335	2002 (p)	Yes	
MONGOLIA	520		520	2002 (p)	Yes	

Country	Outstanding in total	WCF	Total due	Years	Voting rights	Minimum payment to gain voting rights
MOROCCO	38,876		38,876	2002	Yes	
MOZAMBIQUE	466	-	466	2002 (p)	Yes	
MYANMAR	14,997		14,997	2000(p) - 2002	Yes	
NAMIBIA	6,684	-	6,684	2002	Yes	
NEPAL	3,183	-	3,183	2002 (p)	Yes	
NETHERLANDS	-	-	0	-	Yes	
NEW ZEALAND	-	-	0	-	Yes	
NICARAGUA	133,978	-	133,978	1986(p) - 2002	No	132,170
NIGER	95,491		95,491	1991(p) - 2002	No	91,110
NIGERIA	49,547		49,547	2002 (p)	Yes	
NORWAY	-	-	0	-	Yes	
OMAN	56,818	964	57,782	2002	Yes	
PAKISTAN	46,459	-	46,459	2002 (p)	Yes	
PANAMA	33,767	520	34,287	2000(p) - 2002	Yes	
PAPUA NEW GUINEA	41,618		41,618	1997(p) - 2002	No	23,520
PARAGUAY	49,014	803	49,817	1998(p) - 2002	No	8,160
PERU	189,729		189,729	2001(p) - 2002	Yes	
PHILIPPINES	85,032		85,032	2002 (p)	Yes	
POLAND	-	-	0	-	Yes	
PORTUGAL	753,692	-	753,692	2001(p) - 2002	Yes	
QATAR	109,956		109,956	1999(p) - 2002	No	16,130
REPUBLIC OF KOREA	1,705,548	86,626	1,792,174	2002	Yes	
REPUBLIC OF MOLDOVA	870,888		870,888	1993(p) - 2002	No	849,680
ROMANIA	54,145	74	54,219	2002	Yes	
RUSSIAN FEDERATION	-	-	0	-	Yes	
RWANDA	55,057	-	55,057	1994(p) - 2002	No	53,250
SAINT KITTS AND NEVIS	987	-	987	2001(p) - 2002	Yes	
SAINT LUCIA	2,005	149	2,154	2002	Yes	
SAINT VINCENT AND THE GRENADINES	110,283	-	110,283	1989(p) - 2002	No	108,480
SAO TOME AND PRINCIPE	133,992	-	133,992	1986(p) - 2002	No	132,190
SAUDI ARABIA	496,022		496,022	2002	Yes	
SENEGAL	4,428		4,428	2002	Yes	
SEYCHELLES	43,847	-	43,847	1995(p) - 2002	No	38,120
SIERRA LEONE	90,566	-	90,566	1991(p) - 2002	No	88,760
SLOVAKIA	-	-	0	-	Yes	
SLOVENIA	257,917	1,855	259,772	1999(p) - 2002	No	69,920
SOMALIA	133,991	-	133,991	1986 (p) - 2002	No	132,190
SOUTH AFRICA	643,381	12,916	656,297	2001(p) - 2002	Yes	
SPAIN	2,396,919		2,396,919	2002	Yes	
SRI LANKA	14,706	371	15,077	2002	Yes	
SUDAN	10,971		10,971	2001(p) - 2002	Yes	
SURINAME	39,550		39,550	1996(p) - 2002	No	29,960
SWAZILAND	-	-	0	-	Yes	
SWEDEN	-	-	0	-	Yes	
SWITZERLAND	1,210,562	1,188	1,211,750	2002	Yes	
SYRIAN ARAB REPUBLIC	-	-	0	-	Yes	
TAJIKISTAN	276,738		276,738	1993(p) - 2002	No	268,480
THAILAND	231,283	8,165	239,448	2002	Yes	
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	12,991	222	13,213	2000(p) - 2002	Yes	
TOGO	71,810	-	71,810	1993(p) - 2002	No	70,010
TONGA	1,238	-	1,238	2000(p) - 2002	Yes	
TRINIDAD AND TOBAGO	56,088		56,088	1999(p) - 2002	No	10,560

Country	Outstanding in total	WCF	Total due	Years	Voting rights[1]	Minimum payment to gain voting rights
TUNISIA	26,164	223	26,387	2002	Yes	
TURKEY	417,367	-	417,367	2002 (p)	Yes	
TURKMENISTAN	204,966	297	205,263	1995 - 2002	No	191,130
UGANDA	38,138		38,138	1996(p) - 2002	No	25,870
UKRAINE	8,707,168		8,707,168	1995(p) - 2002	[2]	
UNITED ARAB EMIRATES	168,156	-	168,156	2002 (p)	Yes	
UNITED KINGDOM	-	-	0	-	Yes	
UNITED REPUBLIC OF TANZANIA	68,817	149	68,966	1993(p) - 2002	No	60,620
URUGUAY	164,799	3,266	168,065	2000(p) - 2002	Yes	
UZBEKISTAN	459,359		459,359	1997(p) - 2002	No	401,740
VANUATU	77,679	-	77,679	1992(p) - 2002	No	75,880
VENEZUELA	141,603	4,676	146,279	2002 (p)	Yes	
VIET NAM	11,533		11,533	2002	Yes	
YEMEN	18,889		18,889	2000(p) - 2002	Yes	
YUGOSLAVIA (new)	47,731	2,078	49,809	2000 - 2002	No	2,230
ZAMBIA	53,563	-	53,563	1994(p) - 2002	No	47,840
ZIMBABWE	15,846		15,846	2000(p) - 2002	Yes	
Subtotal	**73,561,858**	**259,212**	**73,821,070**			**22,259,710**
YUGOSLAVIA (former)	2,084,146		2,084,146	1990(p) - 2001	[3]	
Non-member:	-					
UNITED STATES OF AMERICA[4]	69,264,731	0	69,264,731	1994(p) - 1996		
TOTAL	**144,910,735**	**259,212**	**145,169,947**			**22,259,710**

Summary of outstanding contributions by year	**TOTAL EUROS**
1986/87	103,890
1988/89	192,280
1990/91	1,302,880
1992/93	2,275,742
1994/95	48,281,969
1996/97	40,395,053
1998/99	9,216,275
2000/2001	7,839,184
Subtotal	**109,607,273**
2002	35,303,462
TOTAL	**144,910,735**

Notes:

(p) Partial payment.

1. Voting rights of 61 Member States have been suspended in accordance with Article 5.2 of the Constitution of UNIDO. Four Members of the Industrial Development Board are without voting rights: Belarus, Côte d'Ivoire, Guatemala and Libyan Arab Jamahiriya.
2. The General Conference has approved a payment plan for Ukraine to settle its arrears and its voting right was regained (GC.9/Dec.12).
3. Outstanding contribution to be resolved following decision by the United Nations General Assembly.
4. Member State of UNIDO until 31 December 1996.
5. Since 31 March 2002, full or partial payments were received from the following Member States: Belgium, Côte d'Ivoire, Cuba, Cyprus, Denmark, Ecuador, Guatemala, Mexico and Oman (an update will be issued as a conference room paper).

Annex II

STATUS OF UNENCUMBERED BALANCES OF APPROPRIATIONS, INCOME FROM NEW MEMBER STATES AND INTEREST INCOME IN EXCESS OF BUDGETARY ESTIMATES (GC.9/Dec.10)

As at 31 March 2002 (in Euros)

Member country	Amount		RESPONSES BY MEMBER STATES						
	Eligible	Not eligible	Date received	RB	IDF general purpose	IDF special purpose/ Integr. Progr.	Assessed contributions	Other purpose	Remarks
AFGHANISTAN	22	879							
ALBANIA	815	-							
ALGERIA	14,729	-							
ANGOLA	762	-	28 Jan.		762				
ARGENTINA	18,778	32,431							
ARMENIA	104	7,361	14 Feb.				104		
AUSTRIA	90,213	-	22 March			90,213			Participation of developing countries in international trade
AZERBAIJAN	213	15,076							
BAHAMAS	1,930	-							
BAHRAIN	2,242	-							
BANGLADESH	686	-							
BARBADOS	688	-							
BELARUS	1,000	26,953	27 Feb.				1,000		
BELGIUM	98,324	-	07 March				98,324		
BELIZE	663	-							
BENIN	637	-							
BHUTAN	632	-	27 Feb.				632		
BOLIVIA	848	-							
BOSNIA AND HERZEGOVINA	29	1,489	27 Feb.				29		
BOTSWANA	761	-							
BRAZIL	9,569	154,516							
BULGARIA	7,039	-	01 March				7,039		To be applied to 2003 contributions
BURKINA FASO	898	-							
BURUNDI	14	879							
CAMBODIA	621	-							
CAMEROON	198	477							

Member country	Amount		RESPONSES BY MEMBER STATES						
	Eligible	Not eligible	Date received	RB	IDF general purpose	IDF special purpose/ Integr. Progr.	Assessed contributions	Other purpose	Remarks
CAPE VERDE	19	879							
CENTRAL AFRICAN REP.	14	879							
CHAD	14	879							
CHILE	7,501	-	08 March				7,501		
CHINA	70,045	-	02 Jan.			70,045			
COLOMBIA	9,647	-	01 March				9,647		
COMOROS	14	879							
CONGO, REP. OF	22	879							
COSTA RICA	269	679							
CÔTE D'IVOIRE	673	-	07 Feb.			673			IP Côte d'Ivoire (technology component)
CROATIA	8,297	-	26 Feb.				8,297		
CUBA	4,519	-	22 Feb.				4,519		
CYPRUS	3,122	-	20 Feb.	1,561	1,561				Regular budget and/or technical cooperation
CZECH REPUBLIC	23,802	-	26 Feb.			23,802			To be specified later
DEM. PEOPLE'S REP. OF KOREA	1,057	4,747	18 Feb.			5,804			IP DPR Korea (fully eligible: paid 12/01)
DEM. REP. OF THE CONGO	36	879							
DENMARK	77,303	-	23 Jan.					77,303	Return
DJIBOUTI	14	879							
DOMINICA	820	-							
DOMINICAN REPUBLIC	65	1,079							
ECUADOR	2,173	-	25 Feb.			2,173			IP Ecuador
EGYPT	8,223	-							
EL SALVADOR	55	879							
EQUATORIAL GUINEA	14	879							
ERITREA	621	-							
ETHIOPIA	732	-	15 Feb.				732		To be applied to 2003 contributions
FIJI	167	477							
FINLAND	65,922	-	05 March			65,922			Environment projects
FRANCE	617,580	-	12 March			617,580			IP Lao PDR
GABON	712	-	01 March				712		
GAMBIA	14	879							
GEORGIA	199	14,877							
GERMANY	918,993	-	28 Feb.				918,993		

Member country	Amount		RESPONSES BY MEMBER STATES						
	Eligible	Not eligible	Date received	RB	IDF general purpose	IDF special purpose/ Integr. Progr.	Assessed contributions	Other purpose	Remarks
GHANA	655	-							
GREECE	40,527	-	19 Feb.			40,527			IP Armenia (to be specified later)
GRENADA	14	879							
GUATEMALA	1,103	1,431							
GUINEA	33	679							
GUINEA-BISSAU	14	879							
GUYANA	633	-							
HAITI	641	-							
HONDURAS	817	-							
HUNGARY	14,909	-							
INDIA	32,206	-	27 Feb.				32,206		To be applied to 2003 contributions
INDONESIA	13,113	-							
IRAN (ISLAMIC REP. OF)	40,874	-	17 Jan.				40,874		
IRAQ	334	15,973							
IRELAND	23,060	-	11 Feb.	23,060					
ISRAEL	25,506	-	28 Jan.				25,506		
ITALY	492,176	-							Will inform later
JAMAICA	668	-							
JAPAN	1,594,602	-			222,057		1,372,545		Credited to other Members' contributions (GC.9/Dec. 10(c))
JORDAN	728	-							
KAZAKHSTAN	170	12,877							
KENYA	654	-							
KUWAIT	19,260	-							
KYRGYZSTAN	69	3,922							
LAO PEOPLE'S DEM. REP.	678	-							
LEBANON	210	477							
LESOTHO	639	-							
LIBERIA	19	879							
LIBYAN ARAB JAMAHIRIYA	4,670	13,354							
LITHUANIA	347	7,472							
LUXEMBOURG	7,520	-	01 March		7,520				
MADAGASCAR	641	-							
MALAWI	30	679							

Member country	Amount		RESPONSES BY MEMBER STATES						
	Eligible	Not eligible	Date received	RB	IDF general purpose	IDF special purpose/ Integr. Progr.	Assessed contributions	Other purpose	Remarks
MALAYSIA	13,152	-	27 Feb.				13,152		
MALDIVES	632	-							
MALI	160	477							
MALTA	876	-							
MAURITANIA	14	879							
MAURITIUS	766	-							
MEXICO	79,715	-	03 March				79,715		
MONGOLIA	637	-							
MOROCCO	2,791	-	05 March				2,791		
MOZAMBIQUE	658	-							
MYANMAR	659	-	08 March			659			Integrated rural development project
NAMIBIA	677	-							
NEPAL	644	-							
NETHERLANDS	161,860	-							
NEW ZEALAND	25,417	-							
NICARAGUA	14	879							
NIGER	19	879							
NIGERIA	2,465	7,631							
NORWAY	59,427	-							
OMAN	4,095	-							
PAKISTAN	5,237	-	28 Feb.				5,237		
PANAMA	686	-							
PAPUA NEW GUINEA	47	679							
PARAGUAY	214	477							
PERU	5,368	-	31 Jan.				5,368		
PHILIPPINES	5,603	-	28 Jan.				5,603		
POLAND	33,951	-	03 March				33,951		
PORTUGAL	26,340	-	03 March				26,340		
QATAR	1,442	2,862							
REPUBLIC OF KOREA	90,183	-	25 Feb.			90,183			IP for DPR Korea
REPUBLIC OF MOLDOVA	164	10,478							
ROMANIA	13,555	-							
RUSSIAN FEDERATION	385,770	-	05 Feb.			385,770			CSF 2002-2005
RWANDA	198	679	06 March			198			IP Rwanda

Member country	Amount		RESPONSES BY MEMBER STATES						
	Eligible	Not eligible	Date received	RB	IDF general purpose	IDF special purpose/ Integr. Progr.	Assessed contributions	Other purpose	Remarks
SAINT KITTS AND NEVIS	25	679	28 Feb.				704		Eligible for full amount (paid 12/01)
SAINT LUCIA	632	-							
SAINT VINCENT AND THE GRENADINES	14	879							
SAO TOME AND PRINCIPE	14	879							
SAUDI ARABIA	64,759	-							
SENEGAL	652	-							
SEYCHELLES	30	679							
SIERRA LEONE	14	879							
SLOVAKIA	7,846	-	17 March				7,846		To be applied to 2003 contributions
SLOVENIA	1,730	4,769							
SOMALIA	14	879							
SOUTH AFRICA	-								
SPAIN	254,519	-	28 Feb.			254,519			
SRI LANKA	813	-							
SUDAN	665	-	28 Feb.				665		
SURINAME	37	679							
SWAZILAND	661	-	14 March				661		To be applied to 2003 contributions
SWEDEN	125,232	-							Will inform later
SWITZERLAND	129,274	-	01 March		129,274				
SYRIAN ARAB REPUBLIC	5,777	-							
TAJIKISTAN	49	3,036							
THAILAND	12,726	-	03 March			12,726			IP Thailand (3 specific projects)
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	655	-							
TOGO	14	879							
TONGA	664	-							
TRINIDAD AND TOBAGO	682	1,908							
TUNISIA	2,729	-							
TURKEY	36,336	-	14 Feb.					36,336	Local UNIDO Office
TURKMENISTAN	69	2,720							
UGANDA	37	679							
UKRAINE	3,745	104,139	21 March				3,745		
UNITED ARAB EMIRATES	19,133	-	12 March				19,133		

Member country	Amount		RESPONSES BY MEMBER STATES						
	Eligible	Not eligible	Date received	RB	IDF general purpose	IDF special purpose/ Integr. Progr.	Assessed contributions	Other purpose	Remarks
UNITED KINGDOM	568,518	-							
UNITED REPUBLIC OF TANZANIA	22	879							
URUGUAY	3,922	-							
UZBEKISTAN	298	12,225							
VANUATU	14	879							
VENEZUELA	30,477	-							
VIET NAM	759	-	20 Feb.				759		
YEMEN	911	-							
YUGOSLAVIA (new)	254	12,304							
ZAMBIA	30	679							
ZIMBABWE	661	-							
Subtotal	**6,591,443**	**506,765**		**24,621**	**361,174**	**1,660,794**	**2,734,330**	**113,639**	
Former Member States									
Australia	30,796								
Canada	3,429		22 March					3,429	Return
United States of America	27,736	35,245							
Total	**6,653,404**	**542,010**		**24,621**	**361,174**	**1,660,794**	**2,734,330**	**117,068**	
Total amount:	*7,195,414*								-
Replies received:	*4,897,987*								
Responses due:	*2,297,427*								

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2 May 2002

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-fifth session
Vienna, 15-16 May 2002
Item 8 of the provisional agenda

MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS

Applications from non-governmental organizations for consultative status

Provides information on the following non-governmental organization applying for consultative status with UNIDO: World Vision International (WVI).

1. In accordance with Article 19.1 (b) of the Constitution of UNIDO and the Guidelines for the Relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (decision GC.1/Dec.41), in particular paragraph 17 of the annex thereto, information on one non-governmental organization (NGO) seeking consultative status with UNIDO is circulated to the members of the Board in the annex to the present document. More detailed information on the NGO is available with the Secretariat.

2. Paragraph 17 of the annex to the Guidelines stipulates that the Board shall establish appropriate procedures for reviewing applications from NGOs for consultative status. To facilitate and accelerate its work, the Board may wish to follow the practice established at previous sessions and request the Bureau of the Board to review the application of, and information on, the NGO referred to in the annex to the present document and to submit its recommendations to the Board for consideration at its current session.

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

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Annex

NON-GOVERNMENTAL ORGANIZATIONS APPLYING FOR CONSULTATIVE STATUS

The designations employed and the presentation of the material in the present document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

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WORLD VISION INTERNATIONAL (WVI)

Historical background

World Vision was founded in Portland, Oregon, United States of America, in September 1950. World Vision International was established in 1978 as an umbrella governing body and global partnership with independent support offices in Australia, Canada, New Zealand, South Africa and the United States of America. Support offices were later established in a number of other countries, including Austria.

WVI is an international network of humanitarian agencies working for the well-being of all people, especially children, in emergency humanitarian assistance, rehabilitation and long-term sustainable development projects. Through emergency relief, education, health care, economic development and promotion of justice, WVI helps disadvantaged communities to help themselves. In 2001, WVI raised $964 million in cash and goods from private and public donors for programmes in 92 countries spanning five continents. Through these programmes, approximately 14,000 WVI staff members—97 per cent based in their own countries—assisted some 75 million people.

Statutes

Available

Structure of governing bodies and administration

- President
- Directors
- Each member organization is autonomous while working within the WVI network. All members have an equal vote within the inter-national council of WVI.

Activities related to the work of UNIDO

WVI's activities comprise emergency relief, education, health care, economic development and promotion of justice, among which economic development relates in particular to the work of UNIDO. In WVI, economic development consists of two major categories:

- Micro-enterprise development (MED), which is market oriented and financially self-sustaining, comprising micro-finance (loans, savings and insurance) and business development services (training, marketing and consulting);
- Economic assistance activities, which are subsidised economic programmes, including pre-MED business motivation, job skills training and any other economic programme.

In this context, MED is understood not merely as a remedy, but rather a means of long-term economic and social advancement.

Relations with the United Nations and other intergovernmental organizations

Consultative status with the Economic and Social Council (ECOSOC), United Nations Children's Fund (UNICEF), United Nations High Commissioner for Refugees. Close cooperation with the World Food Programme, World Health Organization, United Nations Conference for Trade and Development, United Nations High Commissioner for Human Rights, World Trade Organization, United Nations Development Programme, World Bank, United Nations Research Institute for Social Development, International Labour Organization, Joint United Nations Programme on HIV/AIDS. There is a World Vision United Nations Liaison Office in Geneva, Switzerland.

Relations with NGOs/membership

Member of Liaison Committee of European Union Non-governmental Development Organizations, Voluntary Organisations in Cooperation and Emergency (VOICE), International Council of Voluntary Agencies, NGO Committee on the Status of Women, NGO Group of the Convention on the Rights of the Child, Conference of NGOs in Consultative Relationship with ECOSOC (CONGO), NGO Forum for Health, Federation of International Institutions in Geneva, NGO Coalition Against Land-Mines, Interfaith Group on Building Community around Children, International Center for Trade and Sustainable Development, International Baby Food Action Network, Inter-Agency Advisory Group on Refugee Health.

Board member of NGO Committee of UNICEF (currently chairing), Member of the Steering Committee of the International Coalition to Stop the Use of Child Soldiers.

Address of headquarters

Dean Hirsch, President WV International
World Vision International
Partnership Offices
800 West Chestnut Ave.
Monrovia, CA 91016-3198, USA

Office in Austria and WVI representative to UNIDO

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United Nations Industrial Development Organization

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FINANCIAL SITUATION OF UNIDO

Proposed payment plan for Azerbaijan

Note by the Secretariat

Draws to the attention of the Board a letter from Azerbaijan proposing a payment plan for the settlement of its arrears.

1. On 3 May 2002 the Director-General received a letter from the Permanent Mission of Azerbaijan regarding the settlement of its arrears through a payment plan over a period of 10 years. The full text of the letter, dated 29 April 2002, is provided in annex I to the present document. A draft payment plan prepared in accordance with that request is attached as annex II.

ACTION REQUIRED OF THE BOARD

2. The Board may wish to consider the request made by Azerbaijan and make a decision thereon.

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Annex I

LETTER FROM THE PERMANENT MISSION OF AZERBAIJAN

Permanent Mission
of the Republic of Azerbaijan
to the International Organisations
in Vienna

No. 565/16/11

Vienna, April 29, 2002

Excellency,

I have the honour to refer to your letter dated 28 February 2002 regarding the settlement of arrears of the Republic of Azerbaijan to the United Nations Industrial Development Organization.

My Government would like to take up full membership in the endeavours as well as in the decision-making process of the Organization. Despite facing economic difficulties and after close evaluation of the given circumstances, my Government would like to propose to settle its arrears through a payment plan agreement of a 10-years'duration, taking into account the fact that the arrears accumulated by Azerbaijan emerged due to reasons beyond its control. It wishes to address the Industrial Development Board for approving the plan as well as to consider restoring its right to vote. It is the understanding that the payment plan agreement will come into effect once it has been signed by both parties and the first instalment has been made. The Government undertakes to pay the foreseen amounts according to the schedule of instalments indicated. Should, for any reason, the instalments not be paid in accordance with the terms of the payment plan, voting right will be suspended.

It would be appreciated if the UNIDO Secretariat could present this proposal to the forthcoming Industrial Development Board for its consideration and relevant action.

I avail myself of this opportunity to renew to you the assurances of my highest consideration.

Sincerely yours,

[*Signed*]
Amb. Vaqif Sadiqov
Permanent Representative

H.E. Mr. Carlos Alfredo Magariños
Director-General
United Nations Industrial Development Organisation
Vienna

Annex II

DRAFT AGREEMENT BETWEEN THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION AND THE GOVERNMENT OF THE REPUBLIC OF AZERBAIJAN REGARDING OUTSTANDING ASSESSED CONTRIBUTIONS UNDER A PAYMENT PLAN

1. The United Nations Industrial Development Organization (hereinafter "UNIDO") and the Government of the Republic of Azerbaijan (hereinafter "the Government") have agreed to a payment plan which will enable the Government to settle its arrears of outstanding assessed contributions in accordance with decision ... adopted on ..... by ..... .

2. The total outstanding assessed contributions owed by the Government to UNIDO, at the date of this Agreement, is € 1,269,247 (arrears of 1993-2001: € 1,265,905 and 2002 contribution: € 3,342). Details are shown in the attached Annex A and made an integral part hereof.

3. The Government undertakes to pay the above amount (€ 1,269,247), as well as future years' assessed contributions (2003 onwards), in instalments over a period of ten years from the date of this Agreement. These amounts are to be transferred to the following UNIDO bank accounts:

(a) Euro: UNIDO EURO Account No.: 0029-05107/00
IBAN No.: AT79 1100 0002 9051 0700
Creditanstalt AG, VIC Branch, A-1400 Vienna, Austria

or

(b) US Dollar:* UNIDO/IDF Account No.: 949-2-416442
JPMorgan Chase, International Agencies Banking, ABA No.: 021 000 021
1166 Avenue of the Americas, 17th floor, NY 10036-2708, New York, USA

4. The Government undertakes to discharge its payment obligations in accordance with the following schedule of payments, and also undertakes to pay its future assessed contributions in full and on time in accordance with the UNIDO financial regulations:

Payment Date	Arrears Euros	Current Year's Contributions in Euros	Total Euros
Within two months upon approval of this Agreement	126,591	3,342	€ 129,933
By 31 May 2003	126,591	3,342	€ 129,933
By 31 May 2004	126,591	**	
By 31 May 2005	126,591	**	
By 31 May 2006	126,591	**	
By 31 May 2007	126,590	**	
By 31 May 2008	126,590	**	
By 31 May 2009	126,590	**	
By 31 May 2010	126,590	**	
By 31 May 2011	126,590	**	
Total	**1,265,905**		

* *Note:* US dollars would be converted to Euros at the prevailing United Nations rate of exchange at the time payment is received.

** Contributions to be determined by the General Conference approval of the scale of assessments and the programme and budget.

5. A delay of more than three months by the Government in the payment of each individual instalment due shall be considered as non-compliance with this Agreement and shall be reported to the governing bodies.

6. All communications required under this Agreement shall be in writing and addressed as follows:

For the Government:

For UNIDO: Director and Treasurer, Financial Services Branch, Division of Administration
P.O. Box 300, A-1400 Vienna, Austria

7. This Agreement shall enter into force upon signature by the Parties.

The undersigned, being duly authorized thereto, have signed the present Agreement in three copies in English.

For the Government of Azerbaijan: _____

Name:

Functional Title:

At:

On this ..... day of .....2002.

For the United Nations Industrial Development Organization: _____

Name:

Functional Title:

At:

On this ..... day of .....2002.

Annex A

United Nations Industrial Development Organization

CONTRIBUTIONS TO THE REGULAR BUDGET FOR 2002

(Amounts in Euros)

Net UNIDO regular budget requirements for the 2002-2003 biennium in accordance with General Conference decision GC.9/Dec.17	€	133,689,800
Total assessment for 2002	€	**66,844,900**
Level of **Working Capital Fund** in accordance with General Conference decision GC.9/Dec.13	€	7,423,030

AZERBAIJAN

Rate of assessment applicable in accordance with General Conference decision GC.9/Dec.10 0.0060%

Outstanding year(s)

		Euros
Regular budget contribution for	2002	4,011
Credits, if applicable:*		-669
Net regular budget contribution for 2002:		3,342
UNPAID PRIOR YEARS		
	1993	117,224
	1994	300,913
	1995	300,913
	1996	156,909
	1997	144,129
	1998	112,956
	1999	112,956
	2000	10,324
	2001	10,324
Working Capital Fund adjustment:		-743
Overpayment from 2001, if applicable:		0
Total contribution payable**		**1,269,247**

Notice date: 14 December 2001 **Payment due date: 1 January 2002**

* Credits arising from distribution of the unencumbered balances of appropriations, income from new Member States and interest income in excess of budgetary estimates (share of Japan) – annex to GC.9/Dec.10.

** In accordance with financial regulation 5.5(b) of UNIDO, full payments are due within 30 days of receipt of this communication or as of 1 January 2002, whichever is later.

Note: In accordance with General Conference decision GC.9/Dec.15, unpaid prior years' contributions have been converted to euros at the following rates: EUR 1 = ATS 13.7603, and USD 1 = EUR 1.123.